

Exhibit 34

GENERAL APPROPRIATIONS ACT FOR THE 2018-19 BIENNIUM

**Eighty-fifth Texas Legislature
Regular Session, 2017**

Text of Conference Committee Report on Senate Bill No. 1
(and other bills affecting 2018-19 biennial appropriations)



Editor's Note: Senate Bill No. 1 Conference Committee Report (Eighty-fifth Legislature, Regular Session) appropriation figures have been adjusted in this publication to incorporate certain Article IX (General Provisions) appropriations into relevant agency bill patterns; other legislation enacted by the 85th Legislature, including those of the First Called Session, which affect appropriations; non-substantive technical corrections and/or reconciling adjustments; and the Governor's vetoes. Conforming changes to agency riders and informational items have also been made. Complete copies of legislation affecting Senate Bill No. 1 can be found at www.capitol.state.tx.us.

www.lbb.state.tx.us

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GOVERNOR’S VETO PROCLAMATION

HOUSE BILL NO. 3765, EIGHTY-FIFTH LEGISLATURE, REGULAR SESSION

HOUSE BILL NO. 30, EIGHTY-FIFTH LEGISLATURE, FIRST CALLED SESSION

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

8. Benefits Proportionality Audit Requirement.

- a. Each institution of higher education, excluding Public Community/Junior Colleges, shall conduct an internal audit of benefits proportional by fund and submit a copy of the internal audit to the Legislative Budget Board, Comptroller of Public Accounts, and State Auditor's Office no later than August 31, 2018. The audit must examine fiscal years 2015, 2016, and 2017, and must be conducted using a methodology approved by the State Auditor's Office.
- b. If the internal audit conducted by an institution identifies any instances in which an institution has not been compliant with the proportionality requirements provided by Article IX, Sec. 6.08, Benefits Paid Proportional by Method of Finance in the prior three fiscal years defined in subsection (a) and received excess General Revenue as a result of this noncompliance, the institution shall submit a reimbursement payment to the Comptroller of Public Accounts within two years from the conclusion of the institution's audit. The Comptroller of Public Accounts shall notify the Legislative Budget Board and State Auditor's Office of all reimbursement payments submitted by an institution of higher education.
- c. If an institution has previously conducted an internal audit of benefits proportional by fund for the fiscal years included in subsection (a) using a methodology determined to be acceptable by the State Auditor's Office, the State Auditor's Office may waive the requirement that the institution conduct an additional internal audit. The State Auditor's Office shall notify the Legislative Budget Board and Comptroller of Public Accounts of any institutions who receive such a waiver. Any institution that receives a waiver from the audit requirement from the State Auditor's Office is still subject to the provisions of subsection (b) for any instances of noncompliance that were identified.
- d. For fiscal years 2018 and 2019, institutions of higher education shall also consider audits of benefits proportional when developing their annual internal audit plans.
- e. It is the intent of the Legislature that the State Auditor's Office audit at least two institutions of higher education for compliance with benefits proportional provisions during the 2018-19 biennium.

HIGHER EDUCATION COORDINATING BOARD

	For the Years Ending	
	August 31, 2018	August 31, 2019
Method of Financing:		
General Revenue Fund ^{1, 2}	\$ 708,341,805	\$ 688,540,827
<u>General Revenue Fund - Dedicated</u>		
Texas B-on-Time Student Loan Account No. 5103	16,154,566	3,804,040
Physician Education Loan Repayment Program Account No. 5144	12,675,000	12,675,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 28,829,566</u>	<u>\$ 16,479,040</u>
Federal Funds	32,835,088	27,932,204
<u>Other Funds</u>		
Appropriated Receipts, estimated	1,057,895	857,895
Certificate of Authority Fees, estimated	2,000	2,000
License Plate Trust Fund Account No. 0802, estimated	247,400	247,400
Permanent Fund Supporting Graduate Education, estimated	10,800,000	11,000,000
Permanent Health Fund for Higher Education, estimated	1,914,193	1,914,193
Permanent Endowment Fund for the Baylor College of Medicine, estimated	1,425,000	1,425,000
Permanent Fund for the Higher Education Nursing, Allied Health and Other Health Related Programs, estimated	5,420,324	5,420,324
Permanent Fund for Minority Health Research and Education, estimated	3,972,340	3,972,340
Student Loan Funds, estimated	11,294,359	11,260,092

HIGHER EDUCATION COORDINATING BOARD
(Continued)

Other Special State Funds, estimated	5,000	5,000
Certification and Proprietary School Fees, estimated	1,000	1,000
Subtotal, Other Funds	\$ 36,139,511	\$ 36,105,244
Total, Method of Financing	\$ 806,145,970	\$ 769,057,315
This bill pattern represents an estimated 86.5% of this agency's estimated total available funds for the biennium.		
Number of Full-Time-Equivalents (FTE): ²	264.9	264.9
Schedule of Exempt Positions:		
Commissioner of Higher Education, Group 8	\$212,135	\$212,135
Items of Appropriation:		
A. Goal: COORDINATION/PLANNING FOR HIGHER ED		
Coordination/Planning for Higher Education.		
A.1.1. Strategy: COLLEGE READINESS AND SUCCESS	\$ 2,500,000	\$ 2,500,000
A.1.2. Strategy: STUDENT LOAN PROGRAMS	\$ 6,399,180	\$ 6,399,180
A.1.3. Strategy: FINANCIAL AID SERVICES	\$ 693,667	\$ 693,667
A.1.4. Strategy: ACADEMIC QUALITY AND WORKFORCE ²	\$ 1,949,999	\$ 1,850,001
A.1.5. Strategy: STRATEGIC PLANNING AND FUNDING	\$ 2,499,977	\$ 2,500,023
A.1.6. Strategy: INNOVATION AND POLICY DEVELOPMENT	\$ 262,041	\$ 262,041
A.1.7. Strategy: OVERSIGHT FOR PROFIT INSTITUTION	\$ 250,000	\$ 250,000
Oversight for Profit Institutions.		
A.1.8. Strategy: FIELDS OF STUDY	\$ 262,977	\$ 112,977
Total, Goal A: COORDINATION/PLANNING FOR HIGHER ED	\$ 14,817,841	\$ 14,567,889
B. Goal: AGENCY OPERATIONS		
B.1.1. Strategy: CENTRAL ADMINISTRATION ¹	\$ 5,251,375	\$ 5,251,375
B.1.2. Strategy: INFORMATION RESOURCES	\$ 5,730,882	\$ 5,696,615
B.1.3. Strategy: FACILITIES SUPPORT	\$ 1,931,362	\$ 1,931,361
Total, Goal B: AGENCY OPERATIONS	\$ 12,913,619	\$ 12,879,351
C. Goal: AFFORDABILITY AND DEBT		
C.1.1. Strategy: TEXAS GRANT PROGRAM	\$ 393,229,872	\$ 393,229,872
Towards Excellence, Access and Success Grant Program.		
C.1.2. Strategy: TEXAS B-ON-TIME PROGRAM - PUBLIC	\$ 15,254,566	\$ 2,904,040
C.1.3. Strategy: TEXAS B - ON - TIME PROGRAM-PRIVATE	\$ 6,377,942	\$ 902,800
Texas B - On - Time Program - Private.		
C.1.4. Strategy: TUITION EQUALIZATION GRANTS	\$ 85,905,147	\$ 85,905,147
C.1.5. Strategy: TEOG PUB COMMUNITY COLLEGES	\$ 44,236,459	\$ 44,236,458
Texas Educational Opportunity Grants Public Community Colleges.		
C.1.6. Strategy: TEOG PUB STATE/TECHNICAL COLLEGES	\$ 3,759,692	\$ 3,759,692
Texas Educational Opportunity Grants Public State & Technical Colleges.		
C.1.7. Strategy: COLLEGE WORK STUDY PROGRAM	\$ 9,404,639	\$ 9,404,639
Texas College Work Study Program.		
C.1.8. Strategy: LICENSE PLATE SCHOLARSHIPS	\$ 247,400	\$ 247,400
License Plate Scholarships Program.		
C.1.9. Strategy: EDUCATIONAL AIDE PROGRAM	\$ 500,000	\$ 500,000
C.1.10. Strategy: TOP 10 PERCENT SCHOLARSHIPS	\$ 3,000,000	\$ 223,048
C.1.11. Strategy: TX ARMED SERVICES SCHOLARSHIP PGM	\$ 1,335,000	\$ 1,335,000
Texas Armed Services Scholarship Program.		
Total, Goal C: AFFORDABILITY AND DEBT	\$ 563,250,717	\$ 542,648,096
D. Goal: COLLEGE READINESS AND SUCCESS		
D.1.1. Strategy: ADVISE TX	\$ 2,000,000	\$ 2,000,000
Advise TX College Advising Corps.		

HIGHER EDUCATION COORDINATING BOARD
(Continued)

D.1.2. Strategy: DEVELOPMENTAL EDUCATION PROGRAM	\$ 1,325,000	\$ 1,325,000
Total, Goal D: COLLEGE READINESS AND SUCCESS	\$ 3,325,000	\$ 3,325,000
E. Goal: INDUSTRY WORKFORCE		
E.1.1. Strategy: CAREER/TECHNICAL EDUCATION PROGRAMS Career and Technical Education Programs.	\$ 27,543,518	\$ 27,543,518
E.1.2. Strategy: TEACH FOR TEXAS LOAN REPAYMENT Teach for Texas Loan Repayment Assistance.	\$ 1,337,500	\$ 1,337,500
E.1.3. Strategy: TEACHER QUALITY GRANTS PROGRAMS	\$ 4,907,701	\$ 0
E.1.4. Strategy: OTHER FEDERAL GRANTS Other Federal Grants Programs.	\$ 383,869	\$ 388,686
E.1.5. Strategy: MATH AND SCIENCE SCHOLAR'S LRP Math and Science Scholar's Loan Repayment Program.	\$ 1,287,500	\$ 1,287,500
E.1.6. Strategy: NORTHEAST TEXAS INITIATIVE AND TC3 Northeast Texas Initiative and Texas Community College Consortium.	\$ 2,500,000	\$ 2,500,000
E.1.7. Strategy: BILINGUAL EDUCATION PROGRAM	\$ 750,000	\$ 750,000
Total, Goal E: INDUSTRY WORKFORCE	\$ 38,710,088	\$ 33,807,204
F. Goal: INDUSTRY WORKFORCE - HEALTH RELATED		
F.1.1. Strategy: FAMILY PRACTICE RESIDENCY PROGRAM	\$ 5,000,000	\$ 5,000,000
F.1.2. Strategy: PRECEPTORSHIP PROGRAM	\$ 1,500,000	\$ 1,500,000
F.1.3. Strategy: GME EXPANSION Graduate Medical Education Expansion.	\$ 48,525,000	\$ 48,525,000
F.1.4. Strategy: TRAUMA CARE PROGRAM Physician and Nurse Trauma Care.	\$ 2,125,000	\$ 2,125,000
F.1.5. Strategy: JOINT ADMISSION MEDICAL PROGRAM	\$ 10,206,794	\$ UB
F.1.6. Strategy: PROF NURSING SHORTAGE REDUCTION PGM Professional Nursing Shortage Reduction Program.	\$ 10,000,000	\$ 10,000,000
F.1.7. Strategy: PHYSICIAN ED. LOAN REPAY. PROGRAM Physician Education Loan Repayment Program.	\$ 12,675,000	\$ 12,675,000
F.1.8. Strategy: MENTAL HEALTH LOAN REPAYMENT PGM Mental Health Professionals Loan Repayment Program.	\$ 1,062,500	\$ 1,062,500
F.1.9. Strategy: OTHER LOAN REPAYMENT PROGRAMS	\$ 200,000	\$ 0
F.1.10. Strategy: NURSING FACULTY LOAN REPAYMENT PGM Nursing Faculty Loan Repayment Program.	\$ 1,500,000	\$ 1,500,000
Total, Goal F: INDUSTRY WORKFORCE - HEALTH RELATED	\$ 92,794,294	\$ 82,387,500
G. Goal: BAYLOR COLLEGE OF MEDICINE		
G.1.1. Strategy: BAYLOR COLLEGE OF MEDICINE - UGME Baylor College of Medicine - Undergraduate Medical Education.	\$ 38,492,055	\$ 37,599,919
G.1.2. Strategy: BAYLOR COLLEGE OF MEDICINE - GME Baylor College of Medicine Graduate Medical Education (GME).	\$ 7,710,499	\$ 7,710,499
G.1.3. Strategy: BAYLOR COLL MED PERM ENDOWMENT FUND Baylor College of Medicine Tobacco Earnings from Perm Endowment Fund.	\$ 1,425,000	\$ 1,425,000
G.1.4. Strategy: BAYLOR COLL MED PERM HEALTH FUND Tobacco Earnings from Perm Health Fund for Baylor College of Medicine.	\$ 1,914,193	\$ 1,914,193
Total, Goal G: BAYLOR COLLEGE OF MEDICINE	\$ 49,541,747	\$ 48,649,611

HIGHER EDUCATION COORDINATING BOARD
(Continued)

H. Goal: TOBACCO FUNDS		
Tobacco Settlement Funds to Institutions.		
H.1.1. Strategy: EARNINGS - MINORITY HEALTH Tobacco Earnings - Minority Health Res and Ed to THECB.	\$ 3,972,340	\$ 3,972,340
H.1.2. Strategy: EARNINGS - NURSING/ALLIED HEALTH Tobacco Earnings - Nursing, Allied Health, Other to THECB.	\$ 5,420,324	\$ 5,420,324
Total, Goal H: TOBACCO FUNDS	\$ 9,392,664	\$ 9,392,664
I. Goal: RESEARCH		
Trusted Funds for Research.		
I.1.1. Strategy: TEXAS RESEARCH INCENTIVE PROGRAM	\$ 17,500,000	\$ 17,500,000
I.1.2. Strategy: AUTISM PROGRAM	\$ 3,900,000	\$ 3,900,000
Total, Goal I: RESEARCH	\$ 21,400,000	\$ 21,400,000
Grand Total, HIGHER EDUCATION COORDINATING BOARD	\$ 806,145,970	\$ 769,057,315

Object-of-Expense Informational Listing:		
Salaries and Wages	\$ 17,337,565	\$ 17,261,489
Other Personnel Costs	313,328	312,118
Professional Fees and Services	5,427,708	5,000,342
Consumable Supplies	326,748	324,748
Travel	252,585	240,085
Rent - Building	1,455,500	1,455,000
Rent - Machine and Other	1,147,310	1,147,310
Other Operating Expense	3,305,220	3,265,766
Grants	776,580,006	740,050,457
Total, Object-of-Expense Informational Listing	\$ 806,145,970	\$ 769,057,315

Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:

<u>Employee Benefits</u>		
Retirement	\$ 1,356,830	\$ 1,356,830
Group Insurance	3,306,538	3,398,650
Social Security	1,265,607	1,303,716
Benefits Replacement	34,153	29,371
 Subtotal, Employee Benefits	 \$ 5,963,128	 \$ 6,088,567
 Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	 \$ 5,963,128	 \$ 6,088,567

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Higher Education Coordinating Board. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Higher Education Coordinating Board. In order to achieve the objectives and service standards established by this Act, the Higher Education Coordinating Board shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2018</u>	<u>2019</u>
A. Goal: COORDINATION/PLANNING FOR HIGHER ED Outcome (Results/Impact):		
Percentage of University Students Graduating in Four Years	33%	33.1%
Percentage of Public Two-year Institution Students Graduating in Three Years	16.1%	16.4%
Percentage of University Students Graduating within Six Years	61.43%	62.14%
Number of Economically Disadvantaged Undergraduate Students Completing a Certificate or Degree	125,000	132,000
Number of Master's Degrees, Bachelor's Degrees, Associate's Degrees and Certificates Awarded	335,188	348,203

HIGHER EDUCATION COORDINATING BOARD
(Continued)

Percent of Students Who Enter Developmental Education at a Pub Four Year College and Complete a Credential	35.7%	36.5%
Percent of Students Who Enter Developmental Education at a Public Two Year College and Complete a Credential	14.2%	14.78%
Percent of Students Who Enter College Ready at a Public Four-Year College and Complete a Credential	69.67%	70.15%
Percent of Students Who Enter College Ready at a Two-Year College and Complete a Credential	23.15%	23.84%
Percent of Public Bachelor's Degree Graduates Completing with No More than 3 Hours of Their Degree Plan	38.7	39.79
Percent of Public Two-year Institution Students Graduating with No More than 3 Hours of Their Award Plan	25.6	26.7
A.1.1. Strategy: COLLEGE READINESS AND SUCCESS Output (Volume):		
Increase in Fall Student Headcount Enrollment since Fall 2000	624,231	642,958
Explanatory:		
Dollars Appropriated for Developmental Education	68,735,493	68,735,493
A.1.2. Strategy: STUDENT LOAN PROGRAMS Output (Volume):		
Undergraduate Student Loan Debt at or below 60 Percent of First-Year Wages for Graduates of Texas Public Institutions of Higher Education	60	60
C. Goal: AFFORDABILITY AND DEBT Outcome (Results/Impact):		
Percentage of Students Receiving Financial Aid Employed Through Texas College Work Study Program	0.54%	0.54%
C.1.1. Strategy: TEXAS GRANT PROGRAM Output (Volume):		
Number of Students Receiving Texas Grants	77,752	81,903
Percentage of Texas Grant Recipients Who Earn a Baccalaureate Degree within Four Academic Years	24.9%	24.9%
Percentage of Texas Grant Recipients Who Earn a Baccalaureate Degree within Six Academic Years	53%	53%
C.1.4. Strategy: TUITION EQUALIZATION GRANTS Output (Volume):		
Percentage of Tuition Equalization Grant Recipients Who are Minority Students	58%	59%
Percentage of Tuition Equalization Grant Recipients Who Earn Baccalaureate Degrees within Four Academic Years	37.5%	37.5%
C.1.5. Strategy: TEOG PUB COMMUNITY COLLEGES Output (Volume):		
Percent of Texas Educational Opportunity Grant Recipients Who Entered Texas Public Community Colleges in the Fall Term Three Years Ago as First Time, Full-time Undergraduates Who Then Received Associate's Degrees or Certifications, or Who Transferred to a Four Year College or University after Thirty Semester Credit Hours, Since that Date	25%	25%
D. Goal: COLLEGE READINESS AND SUCCESS Outcome (Results/Impact):		
Pass Rate on State Certification Exams at Centers for Teaching Education at Texas Association of Developing College Institutions	85%	85%
E. Goal: INDUSTRY WORKFORCE Outcome (Results/Impact):		
Pass Rates on State Certification Exams Compared to Pass Rates of Students Enrolled at Public Institutions of Higher Education	91.73	91.73
F. Goal: INDUSTRY WORKFORCE - HEALTH RELATED Outcome (Results/Impact):		
Percent of First Year Medical Resident's Headcount to Texas Medical School Graduates	98%	93%
F.1.1. Strategy: FAMILY PRACTICE RESIDENCY PROGRAM Output (Volume):		
Number of Family Practice Residency Program Residents Supported	750	750
Average Funding Per Family Practice Residency Program Resident	6,300	6,300

HIGHER EDUCATION COORDINATING BOARD
(Continued)

G. Goal: BAYLOR COLLEGE OF MEDICINE
Outcome (Results/Impact):
Percentage of Baylor College of Medicine Graduates
entering Texas Residency Programs
Percentage of Baylor College of Medicine Graduates
entering Primary Care Residency Programs

51%	51%
48.8%	48.8%

2. Capital Budget.

- (a) None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103.
- (b) Notwithstanding (a) and Article IX, Section 14.03, Limitations on Expenditures-Capital Budget, any unused administrative funds contained in the Central Administration Program, Facilities Support Program, Information Resources Program, and Student Loan Programs as of August 31, 2017, may be carried forward into fiscal year 2018 to be used for capital projects related to Security Upgrades to the Agency's Identity and Access Management Services and Agency Cybersecurity.

	2018	2019
a. Acquisition of Information Resource Technologies		
(1) Acquisition and Refresh of IT Infrastructure	\$ 126,000	\$ 126,000
(2) Security Upgrades to Identity and Access Management	147,500	67,500
(3) Cybersecurity Improvements	<u>\$ 155,000</u>	<u>\$ 70,000</u>
Total, Acquisition of Information Resource Technologies	<u>\$ 428,500</u>	<u>\$ 263,500</u>
b. Data Center Consolidation		
(1) Data Center Services	\$ 2,161,198	\$ 2,126,930
Total, Capital Budget	<u><u>\$ 2,589,698</u></u>	<u><u>\$ 2,390,430</u></u>
Method of Financing (Capital Budget):		
General Revenue Fund	\$ 1,516,831	\$ 1,351,830
Other Funds	1,072,867	1,038,600
Total, Method of Financing	<u><u>\$ 2,589,698</u></u>	<u><u>\$ 2,390,430</u></u>

3. **Commissioner's Salary.** The Coordinating Board is hereby authorized to utilize \$77,851 per year from General Revenue funds appropriated to Goal B, in fiscal year 2018 and fiscal year 2019 and any earned funds for the purpose of funding the salary of the Commissioner of Higher Education at a rate not to exceed \$212,135 in fiscal year 2018 and \$212,135 in fiscal year 2019.
4. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Coordinating Board to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.
5. **Student Loan Program.** All monies in the Texas Opportunity Plan Fund and the Texas College Student Loan Bonds Interest and Sinking Fund, the Student Loan Auxiliary Fund, and the Student Loan Revenue Fund are hereby appropriated to the Texas Higher Education Coordinating Board, for the purposes specified in Article III, §§50b-4, 50b-5, 50b-6 and 50b-7 of the Texas Constitution and Education Code §§52.01-52.91 and 56.121-56.135.

HIGHER EDUCATION COORDINATING BOARD

(Continued)

6. **Texas Public Educational Grants Program.** Unless a different percentage is set by passage of legislation amending the Texas Education Code, the amount of tuition to be set aside for the Texas Public Educational Grants Program in accordance with TEC 56.033(a)(1) shall be 15 percent in fiscal years 2018 and 2019.
7. **Texas Success Initiative.**
 - a. Developmental and Basic Academic Skills Education Coursework. Funds appropriated for developmental and basic academic skills courses and interventions under Education Code §51.3062, shall be expended only for those costs associated with providing developmental and basic academic skills education courses and interventions including instruction, tutoring, program evaluation, retraining of faculty and support staff, and other related costs. The funds shall not be used for the recruitment of students.
 - b. Intent Concerning Developmental Needs. It is the intent of the Legislature that all affected institutions of public higher education fully address developmental needs identified by the institutions through the Texas Success Initiative with appropriations made in this Act for the developmental and basic academic skills education and interventions coursework and other available institutional funds.
8. **Baylor College of Medicine.**
 - a. From funds appropriated by this Act for the Baylor College of Medicine, the Coordinating Board shall allocate an amount per student enrolled in the college equal to the cost of medical education in the established public medical schools cited in Subchapter D, Chapter 61, Education Code. The cost of medical education per student at public medical schools as determined by the Coordinating Board shall include General Revenue appropriations for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated for the same purpose in fiscal year 2019.
 - b. Appropriations made by this Act for Baylor College of Medicine are considered to be appropriations for any legal successor to Baylor College of Medicine and may be expended only for the purposes for which appropriated. Any details, limits, or restrictions applicable to those appropriations are applicable to that legal successor.
 - c. The Coordinating Board is authorized to make an intergovernmental transfer of the funds appropriated by this Act for Baylor College of Medicine to the Health and Human Services Commission. The purpose of the intergovernmental transfer is to provide the non-federal share of uncompensated care or delivery system reform incentive payments under the Healthcare Transformation and Quality Improvement Waiver.
9. **Cost Recovery for the Common Application Form.** None of the funds appropriated above to the Higher Education Coordinating Board may be used to provide a common application form (either electronic or paper) for each general academic institution and each participating public two-year institution and participating independent institution unless the Higher Education Coordinating Board recovers costs related to the common application form. The amount collected from each institution shall be proportional to the percentage of enrollment compared to the total enrollment of all participating institutions based on the previous year's certified Fall enrollment data. The funds collected shall only recover direct costs and only be used for the purposes of the electronic common application form and related activities designed to encourage student enrollment in college. Any balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 and any such funds are appropriated for fiscal year 2019 for the same purpose.
10. **Tuition Equalization Grants.** The Coordinating Board shall present the result of its most recent annual need survey for Tuition Equalization Grant (TEG) funds as part of its biennial appropriations request to the Legislative Budget Board and the Governor. The request shall include the number of eligible students and an estimate of the amount needed to fund fully the TEG program in the coming biennium. The Coordinating Board shall update this projection to include the most recent fall semester data prior to the convening of each regular session of the Legislature and shall provide this information to the Legislative Budget Board staff prior to Legislative Budget Board deliberations on the TEG appropriation. Each institution receiving tuition equalization grants shall furnish to the Coordinating Board any financial information requested.

HIGHER EDUCATION COORDINATING BOARD

(Continued)

Independent colleges and universities that enroll students receiving Tuition Equalization Grant funds appropriated by this Act shall provide reports to the Higher Education Coordinating Board regarding the diversity of their student body and faculty. The reports for headcount enrollment shall be submitted annually in a form and at a time consistent with the Board's reporting schedule. The faculty data shall be submitted to the Integrated Postsecondary Educational Data System (IPEDS) and accessed by the Board when available from IPEDS.

- 11. Information Access Initiative.** The Higher Education Coordinating Board shall use the appropriations above to coordinate with the Texas Education Agency regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data in implementing its Information Access Initiative. The two agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.
- 12. Strategic Plan for Teacher Certification.** Out of funds appropriated above, the Higher Education Coordinating Board shall develop and implement a strategic plan to improve teacher professional development for certified teachers in the state to increase the quality and effectiveness of certified teachers in the classrooms. The Coordinating Board shall collaborate with the Texas Education Agency, the Educational Services Centers, and Professional Associations in development and implementation of the strategic plan. The Coordinating Board shall oversee the implementation of the strategic plan. In order to facilitate the strategic plan, the Coordinating Board shall work with the Texas Education Agency, school districts, and professional educator associations.
- 13. Tobacco Funds - Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above to the Texas Higher Education Coordinating Board are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Fund for Minority Health Research and Education and the Permanent Fund for Nursing, Allied Health and Other Health Related Programs.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference.
 - b. All balances of estimated appropriations from the Permanent Fund for Minority Health Research, at the close of the fiscal year ending August 31, 2017, estimated to be \$0 (and included above in the Method of Finance) and the income to said fund during the fiscal years beginning September 1, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated for the same purposes for fiscal year 2019.
 - c. All balances of estimated appropriations from the Permanent Fund for Nursing, Allied Health and Other Health Related Programs, at the close of the fiscal year ending August 31, 2017, estimated to be \$0 (and included above in the Method of Finance) and the income to said fund during the fiscal years beginning September 1, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated for the same purposes for fiscal year 2019.
- 14. Reporting by Texas Higher Education Coordinating Board.** It is the intent of the Legislature that the Texas Higher Education Coordinating Board include in its Legislative Appropriations Request for the 2020–21 biennium, information on actual expenditures and budgeted expenditures for the Baylor College of Medicine, which receives distributions from the Permanent Health Fund for Higher Education and the Permanent Endowment Fund for Baylor College of Medicine.
- 15. Girl Scout Scholarships.** The funds provided to the Girl Scout Scholarships are appropriated in accordance with Transportation Code §504.622 to provide grants to benefit the Girl Scouts. All balances provided to the Girl Scout Scholarships from the License Plate Trust Fund, Account 0802, as of August 31, 2017, and all receipts received during the biennium beginning September

HIGHER EDUCATION COORDINATING BOARD

(Continued)

1, 2017 are hereby appropriated for the same purpose. Any balances on hand at the end of fiscal year 2018 may be carried over to the fiscal year 2019 and any such funds are appropriated for fiscal year 2019 for the same purpose.

- 16. Houston Livestock Show and Rodeo Scholarships.** The funds provided to the Houston Livestock Show and Rodeo Scholarships Program are appropriated in accordance with Transportation Code §504.613 to make grants to benefit the Houston Livestock Show and Rodeo. All balances provided to the Houston Livestock and Rodeo Scholarships from the License Plate Trust Fund, Account 0802, as of August 31, 2017, and all receipts received during the biennium beginning September 1, 2017 are hereby appropriated for the same purpose. Any balances on hand at the end of fiscal year 2018 may be carried over to the fiscal year 2019 and any such funds are appropriated for fiscal year 2019 for the same purpose.

- 17. Texas Collegiate License Plate Scholarships.** The funds provided to the Texas Collegiate License Plate Scholarships program are appropriated in accordance with Transportation Code §504.615 to provide scholarships for students who demonstrate a need for financial assistance. All balances provided to the Texas Collegiate License Plate from the License Plate Trust Fund Account 0802, as of August 31, 2017, and all receipts received during the biennium, beginning September 1, 2017, are hereby appropriated for the same purpose.

All receipts deposited in the state treasury during the biennium beginning September 1, 2017 to the credit of the community colleges and independent institutions as provided by VTCA, Transportation Code §504.615 are appropriated for that period to the Coordinating Board for the purpose of providing scholarships for students who demonstrate a need for financial assistance at the independent institution or community college for which the receipts are credited.

- 18. Appropriations Transfers.** Notwithstanding any other provisions of this bill, the Higher Education Coordinating Board may allow each institution to transfer, within a fiscal year, the lesser of 10 percent or \$20,000 between an allocation an institution received for one of these programs: the Texas College Work-Study Program, TEXAS Grant Program, Texas Educational Opportunity Grant Program-Public Community Colleges, Texas Educational Opportunity Grant Programs-Public State and Technical Colleges and the Tuition Equalization Grant Program. This threshold is applied to the program from which the funds are being transferred.
- 19. "College for Texans" Campaign License Plate.** The funds provided to the "College for Texans" Campaign are appropriated in accordance with Transportation Code §504.657 for the purposes of the College for Texans Campaign. All balances provided to the "College for Texans" Campaign License Plate from the License Plate Trust Fund, Account 0802, as of August 31, 2017, and all receipts received during the biennium beginning September 1, 2017, are hereby appropriated to the Coordinating Board for the biennium beginning September 1, 2017 for the same purpose. Any balances on hand at the end of fiscal year 2018 are hereby appropriated for fiscal year 2019 for the same purpose.
- 20. Boy Scout Scholarships.** The funds provided to the Boy Scout Scholarships are appropriated in accordance with Transportation Code §504.6545 to provide grants to benefit the Boy Scouts. All balances provided to the Boy Scout Scholarships from the License Plate Trust Fund Account 0802, as of August 31, 2017, and all receipts received during the biennium beginning September 1, 2017, are hereby appropriated to the Coordinating Board for the biennium beginning September 1, 2017 for the same purpose. Any balances on hand at the end of fiscal year 2018 are hereby appropriated for fiscal year 2019 for the same purpose.
- 21. Cotton Boll Scholarships.** The funds provided to the Cotton Boll Scholarships are appropriated in accordance with Transportation Code §504.636 for the purpose of providing scholarships to students who are pursuing a degree in an agricultural field related to the cotton industry while enrolled in an institution of higher education. All balances provided to the Cotton Boll Scholarships from the License Plate Trust Fund, Account 0802, as of August 31, 2017, and all receipts received during the biennium beginning September 1, 2017, are hereby appropriated to the Coordinating Board for the biennium beginning September 1, 2017 for the same purpose. Any balances on hand at the end of fiscal year 2018 are hereby appropriated for fiscal year 2019 for the same purpose.
- 22. Tobacco Funds-Baylor College of Medicine-Permanent Health Fund.** Included in the amounts appropriated to the Baylor College of Medicine in Strategy, G.1.4, Tobacco-Permanent Health Fund, is an estimated appropriation based on the Baylor College of Medicine's allocation of amounts, under Section 63.003, Education Code, available for distribution out of the Permanent

HIGHER EDUCATION COORDINATING BOARD

(Continued)

Health Fund for Higher Education, estimated to be \$1,914,193 in each year of the 2018–19 biennium. These funds are to be used for purposes specified in Education Code, §63.002 (c), (d), and (f).

Amounts available for distribution or investment returns in excess of the amounts listed above in Strategy, G.1.4, Tobacco-Permanent Health Fund, are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts listed above in Strategy, G.1.4, Tobacco-Permanent Health Fund, this Act may not be construed as appropriating funds to makeup the difference.

All balances of estimated appropriations from the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, at the close of the fiscal year ending August 31, 2017, estimated to be \$0 (and included in the Method of Finance above) and the income to said fund during the fiscal year beginning September 1, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated for the same purposes in fiscal year 2019.

- 23. Texas College Work Study Program.** Because of the positive effect of work study programs on student participation and success, funds appropriated above to Strategy C.1.7, College Work Study Program, are intended to maximize the extent to which state funds appropriated for student grants that are awarded with criteria requiring a work study component.
- 24. Tobacco Funds - Baylor College of Medicine-Permanent Endowment Fund.** Included in the amounts appropriated to Baylor College of Medicine in Strategy, G.1.3, Tobacco-Permanent Endowment is an estimated appropriation of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Baylor College of Medicine.
 - a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.
 - b. All balances of estimated appropriations from the Permanent Endowment Fund for the Baylor College of Medicine and all balances from the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, at the close of the fiscal year ending August 31, 2017 estimated to be \$0 (and included in the Method of Finance above), and the income to said fund during the fiscal years beginning September 1, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated for the same purposes for fiscal year 2019.
- 25. Annual Financial Aid Report.** The Coordinating Board shall present an annual report concerning student financial aid at Texas public and independent institutions of higher education. This report shall be provided to the Legislative Budget Board by November 1 of each calendar year.
- 26. Physician Education Loan Repayment Program Retention Rates.** The Texas Higher Education Coordinating Board shall report the results of a survey of physicians who have completed a Physician Education Loan Repayment Program application in which the physician agreed to practice in a health professional shortage area in exchange for a loan repayment award to determine rates of retention in those shortage areas and counties. The Texas Higher Education Coordinating Board shall report the results of the survey in its Annual Financial Aid Report of every even numbered year.
- 27. Top 10 Percent Scholarships.** Amounts appropriated above in Strategy C.1.10, Top Ten Percent Scholarships, are for renewal awards only and shall be used to provide scholarships for undergraduate students who have graduated with a grade point average in the top 10 percent of the student's high school graduating class from an accredited Texas High School. Any unexpended balances on hand at the end of fiscal year 2018 are hereby appropriated for the same purpose in fiscal year 2019.
- 28. Texas Armed Services Scholarship Program.** Out of the funds appropriated above in Strategy C.1.11, Texas Armed Services Scholarship Program, any unexpended balances on hand on or after March 1 of each year shall be transferred to the TEXAS Grant Program and are hereby

HIGHER EDUCATION COORDINATING BOARD

(Continued)

appropriated for the purpose set forth in Strategy C.1.1. Any payments received on Texas Armed Services Scholarship Program loans are hereby appropriated to Strategy C.1.11 for administration of the program.

- 29. Professional Nursing Shortage Reduction Program.** Appropriations for the Professional Nursing Shortage Reduction program total \$10,000,000 in fiscal year 2018 and \$10,000,000 in fiscal year 2019. Those funds shall be allocated as follows:

The Texas Higher Education Coordinating Board (THECB) shall allocate the funds appropriated in their bill pattern in Strategy F.1.6, as follows:

- a. Up to 5 percent each year may be used for administrative expenses.
 - b. \$3,288,999 in fiscal year 2018 and \$3,288,999 in fiscal year 2019 shall be distributed in an equitable manner to institutions with nursing programs, including institutions graduating their first nursing class, based on increases in numbers of nursing student graduating. The THECB shall apply a weight of 1.5 for increased graduates in nursing educator programs identified with a Classification of Instructional Program code of 51.3808 and 51.3817. The THECB shall allocate up to 50 percent in each fiscal year of the biennium and any unexpended amounts to community colleges.
 - c. \$4,590,001 in fiscal year 2018 and \$4,590,001 in fiscal year 2019 shall be distributed at a rate of \$10,000 per year for each additional nursing student enrolled in a professional nursing program to institutions with professional nursing programs based on the following criteria: (1) a graduation rate of 70 percent or above as reflected in the final 2016 graduation rates reported by the THECB and (2) an increase in new enrollees for fiscal year 2018 equal to 12 percent and 18 percent in fiscal year 2019 of the first-year enrollments for the 2015–16 academic year as reported by the institutions to the Texas Center for Nursing Workforce Studies.
 - d. \$2,121,000 in fiscal year 2018 and \$2,121,000 in fiscal year 2019 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2016 graduation rates reported by the THECB, (2) hospital-based diploma programs, or (3) new professional nursing programs whose graduation rates which have not been determined by the THECB. From funds available for that purpose, institutions shall receive \$20,000 for each additional initial RN graduate in two year programs and \$10,000 for each additional graduate in one-year programs. If sufficient funds are not available to provide this allocation, the THECB shall distribute the funds on a pro rata basis equally among the nursing programs participating. THECB shall develop an application process for institutions willing to increase the number of nursing graduates. The application shall indicate the number of nursing graduates for initial licensure the institution will produce; indicate the number of payments and payment schedule; identify benchmarks an institution must meet to receive payment; and specify the consequences of failing to meet the benchmarks.
 - e. For THECB expenditure purposes, any funds not expended in fiscal year 2018 may be expended in fiscal year 2019 for the same purposes. If an institution does not meet targets for purposes of subsections b, c, and d, the institution shall return these unearned funds to the THECB by the date specified by THECB rule. The THECB shall reallocate these funds to other qualified programs. All institutions receiving funds shall submit to the THECB a detailed accounting of funds received, obligated or expended.
 - f. If the funds appropriated under Paragraphs b, c, or d exceed the funds that can be expended in accordance with the requirements of that paragraph, THECB may expend the excess funds for any purpose described in Paragraphs b, c, or d. THECB may not include nonresident students who are enrolled in online professional nursing programs while residing outside of the state in methodologies used to calculate program awards described in Paragraphs b, c, or d.
- 30. Physician Education Loan Repayment Program.** The funds provided to Strategy F.1.7, Physician Education Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements. Any balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.

HIGHER EDUCATION COORDINATING BOARD

(Continued)

- 31. Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to \$119,955 in fiscal year 2018 and \$119,955 in fiscal year 2019 for one month rural rotations or one month public health rotations for family practice residents in accordance with the provision of Education Code §51.918.
- 32. Teach for Texas Loan Repayment Assistance Program.**
- a. Of the funds appropriated above in Strategy E.1.2, Teach for Texas Loan Repayment Program, any unexpended balances on hand at the end of fiscal year 2018 are hereby appropriated for the same purposes in fiscal year 2019.
 - b. Any payments received from students are hereby appropriated for the same purposes as the original Teach for Texas Loan Repayment Assistance Program.
- 33. Developmental Education.** Funds appropriated above in Strategy D.1.2, Developmental Education Program, \$1,125,000 in General Revenue for fiscal year 2018 and \$1,125,000 in General Revenue for fiscal year 2019 shall be used to continued scaling effective strategies that promote systemic reforms, to improve student outcomes and provide professional development opportunities for faculty and staff to improve advising, acceleration and completion of underprepared students. Out of funds appropriated to this strategy, the Higher Education Coordinating Board will collaborate with Texas public institutions of higher education, to scale effective interventions such as non-course competency based remediation, core-requisite models, emporium models, and modular offerings. Out of funds appropriated to this strategy, the Higher Education Coordinating Board will analyze and compare information collected annually from all Texas public institutions on the Developmental Education Program Survey and other TSI data to determine the most effective and efficient interventions and submit a report to the Governor, Lieutenant Governor, Speaker of the House of Appropriations, the Chair of the Senate Finance Committee, the Chair of House Appropriations, Senate Committee on Higher Education and House Committee on Higher Education before January 1, 2019. Any balances remaining as of August 31, 2018 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2018.
- 34. Toward EXcellence, Access and Success (TEXAS) Grant Program.** For all funds appropriated in Strategy C.1.1, TEXAS Grant Program, and funds transferred into the TEXAS Grant Program, any unexpended balances on hand at the end of fiscal year 2018 are hereby appropriated for the same purposes in fiscal year 2019.
- Any amounts received by the Higher Education Coordinating Board as donations under Texas Education Code §56.310 during the biennium beginning September 1, 2017 are hereby appropriated for the purpose of awarding TEXAS Grants during the biennium beginning September 1, 2017.
- Any amounts transferred to the Higher Education Coordinating Board by the Comptroller of Public Accounts in accordance with Texas Property Code §72.1016(e) which provides that five percent of the money collected from stored value cards presumed to be abandoned are to be used as grants under Subchapter M. Education Code §56, are hereby appropriated for the biennium beginning September 1, 2017 for the purpose of awarding TEXAS Grants during the biennium beginning September 1, 2017.
- 35. B-On-Time Program-Public.** Funds appropriated above for the B-On-Time Program-Public, are for renewal awards. Any unexpended balances on hand at the end of fiscal year 2018 in Strategy C.1.2, B-On-Time Program-Public, may be carried over to fiscal year 2019 for the same purpose. Any payments received on B-On-Time loans are hereby appropriated to Strategy A.1.2 for the administration of the loan program.
- 36. Tuition Equalization Grant (TEG) Program.** For all funds appropriated above in Strategy C.1.4, Tuition Equalization Grant Program, and funds transferred into the TEG Grant Program, any unexpended balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.
- 37. Texas Educational Opportunity Grant (TEOG) Program-Public Community Colleges.** Out of the funds appropriated above in Strategy C.1.5, Texas Educational Opportunity Grant-Public Community Colleges, the Higher Education Coordinating Board shall distribute funding to Public Community Colleges for the Texas Educational Opportunity Grant Program. For all funds appropriated above in Strategy C.1.5, Texas Educational Opportunity Grant-Public Community

HIGHER EDUCATION COORDINATING BOARD

(Continued)

Colleges, and funds transferred into the Texas Educational Opportunity Grant Program-Public Community Colleges, any unexpended balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.

38. **Texas Educational Opportunity Grant (TEOG) Program-Public State and Technical Colleges.** Out of the funds appropriated above in Strategy C.1.6, Texas Educational Opportunity Grant-Public State and Technical Colleges, the Higher Education Coordinating Board shall distribute funding to Public State and Technical Colleges for the Texas Educational Opportunity Grant Program. For all funds appropriated above in Strategy C.1.6, Texas Educational Opportunity Grant-Public State and Technical Colleges, and funds transferred into the Texas Educational Opportunity Grant Program-Public State and Technical Colleges, any unexpended balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.
39. **College Work-Study (CWS) Program.** For all funds appropriated above in Strategy C.1.7, College Work Study (CWS) Program and funds transferred into the CWS Grant Program, any unexpended balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.
40. **Full-Time Equivalents Funded by Private Grants.** Consistent with the provisions in Article IX, §6.10, the Texas Higher Education Coordinating Board may exceed the limitation on the number of full-time equivalent employees (FTEs) indicated above only by the number of FTEs whose salaries, benefits, and other expenses related to employment are through private grant funds.
41. **Graduate Medical Education Expansion.** Out of funds appropriated above in Strategy F.1.3, Graduate Medical Education Expansion, the Higher Education Coordinating Board shall allocate funds as follows:
 - a. \$250,000 in fiscal year 2018 and \$250,000 in fiscal year 2019 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award one-time graduate medical education planning and partnership grants to hospitals, medical schools, and community-based ambulatory patient care centers to develop new graduate medical education programs.
 - b. \$31,137,500 in fiscal year 2018 and \$31,137,500 in fiscal year 2019 in Strategy F.1.3. Graduate Medical Education Expansion, shall be used to enable new or existing GME programs to increase the number of first year residency positions and provide support to these positions through the biennium. Of these funds, \$0 in fiscal year 2018 and \$0 in fiscal year 2019 shall be used specifically to enable new or existing GME programs to increase the number of first-year positions in residency programs that prepare physicians for entry into primary care practices. The minimum per resident award amount is \$75,000.
 - c. \$4,950,000 in fiscal year 2018 and \$4,950,000 in fiscal year 2019 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs to enable those programs that received a grant award in fiscal years 2014 and 2015 to fill first year residency positions that are unfilled as of July 1, 2013.
 - d. \$12,187,500 in fiscal year 2018 and \$12,187,500 in fiscal year 2019 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs that received a grant award for the New and Expanded Graduate Medical Education Program in fiscal year 2015.

Any unexpended balances on hand at the end of fiscal year 2018 are hereby appropriated for the same purpose for fiscal year 2019.

Notwithstanding Article IX, Section 14.01 of this Act any funds identified above that remain unexpended and unobligated after the purposes stated in this rider have been reasonably addressed, may be transferred to the other programs identified by this rider.

42. **Nursing Faculty Loan Repayment Assistance Program.** The funds provided to the Nursing Faculty Loan Repayment Program are appropriated in accordance with Education Code §§ 61.9821 - 61.9828 for repayment of eligible student loans received by qualified nurses who meet the stipulated requirements. Any balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose. In accordance with Texas Education Code Chapter 61, Subchapter II, §61.9826 which provides for the allocation of funds from the Physician

HIGHER EDUCATION COORDINATING BOARD

(Continued)

Education Loan Repayment Program Fund (Account 5144) for the Nursing Faculty Loan Repayment Assistance Program, any reallocated funds are hereby appropriated for loan repayment assistance to qualifying nursing faculty.

43. **Mathways Project.** Out of funds appropriated above in Strategy D.1.2, Developmental Education Program, \$200,000 in General Revenue for fiscal year 2018 and \$200,000 in General Revenue for fiscal year 2019 shall be transferred to The University of Texas at Austin for the purpose of implementing the New Mathways Project.
44. **Family Practice Residency Program.** All unexpended balances for Strategy F.1.1, Family Practice Residency Program at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.
45. **Trauma Fellowships.** Appropriations above to the Higher Education Coordinating Board include \$2,125,000 in fiscal year 2018 and \$2,125,000 in fiscal year 2019 from General Revenue. This program provides funds for the expansion of physician and nursing trauma fellowships per Education Code, Chapter 61, Article 9, Subchapter HH, Texas Emergency and Trauma Care Educational Partnership Program.
46. **B-On-Time Program-Private.** Funds appropriated above in Strategy C.1.3, B-On-Time Program-Private, are for renewal awards only. Any unexpended balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose. All renewal award awards for B-On-Time loans to students who first received a B-On-Time loan for a semester or other academic term before the 2014 fall semester and who are enrolled at public two-year community colleges will be funded from B-On-Time General Revenue funds appropriated above.
47. **Texas Research Incentive Program.** Funds appropriated above in Strategy I.1.1, Texas Research Incentive Program, shall be distributed in accordance with Education Code, Sections 62.121-62.124.
48. **Educational Aide Program.** The Coordinating Board is directed to pursue additional funds, in addition to funds appropriated in Strategy C.1.9, Educational Aide Program, for this program from the U.S. Department of Education "Transition to Teaching" grant program and from foundations interested in promoting education and training for current school employees pursuing teacher certification. For all funds appropriated in Strategy C.1.9, Educational Aide Program, any unexpended balances on hand at the end of fiscal year 2018 are hereby appropriated for the same purposes in fiscal year 2019. The Higher Education Coordinating Board is directed to prioritize the distribution of funds appropriated above in Strategy C.1.9, Educational Aid Program, to institutions providing a match of at least 10 percent for each exemption awarded.
49. **Advise TX.** The Higher Education Coordinating Board may solicit and accept gifts for additional support for the Advise TX College Advising Corps. Any unexpended balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.
50. **Autism Grant Program.** Out of funds appropriated above to Strategy I.1.2, the Texas Higher Education Coordinating Board (THECB) shall distribute to autism research centers at public and private institutions of higher education that currently provide evidence-based behavioral services and training, in the amounts and for the purposes as follows:
 - a. Parent-directed Treatment: \$2,250,000 per fiscal year to serve 750 children per year;
 - b. Board-certified Behavioral Analyst (BCBA) Training for Teachers/Paraprofessionals: \$950,000 per fiscal year to serve 2,547 children per year. The research centers may contract with educational service centers to provide this training;
 - c. Research, development and evaluation of innovative autism treatment models: \$700,000 per fiscal year; and
 - d. Administrative support of the programs in subsections a through c: \$150,000 per fiscal year may be expended by the Higher Education Coordinating Board.
 - e. If funds appropriated under Paragraphs a, b, or c exceed the funds that can be expended in accordance with the requirements of that paragraph, the Higher Education Coordinating Board may expend the excess funds for any purpose described in Paragraphs a, b, or c.

HIGHER EDUCATION COORDINATING BOARD

(Continued)

- f. Any unexpended balances on hand at the end of fiscal year 2018 are hereby appropriated for the same purpose for fiscal year 2019.

THECB shall gather data on the above programs from each institution's autism research center and submit an annual report on the effectiveness of each program, including the number of children served, the number of parents and/or teachers/paraprofessionals trained, and the results of the research on innovative treatment models. The report shall be submitted no later than September 1 of each year, to the Legislative Budget Board, Office of the Governor, the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

- 51. Permanent Fund Supporting Graduate Medical Education.** The proceeds of the Permanent Fund Supporting Graduate Medical Education available for allocation are appropriated in Strategy F.1.3, Graduate Medical Education Expansion, at the Texas Higher Education Coordinating Board in Other Funds for each year of the biennium ending August 31, 2019 for the purpose of supporting Graduate Medical Education.
- 52. Math and Science Scholar's Loan Repayment Program.** The funds provided to Strategy E.1.5, Math and Science Scholar's Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.9831-61.9841, in order to assist Texas Teachers in repaying higher education loan debt if they choose to teach math or science in a school district identified as a Title I school. Any balances on hand at the end of fiscal year 2018 may be carried over to fiscal year 2019 for the same purpose.
- 53. Advise TX Reporting Requirement.** Out of funds appropriated above, the Higher Education Coordinating Board shall report information regarding the effectiveness of the Advise TX program to the Legislative Budget Board and Governor's Office by October 1st of each year.
- 54. Program to Encourage Certification to Teach Bilingual Education, English as a Second Language, or Spanish.** Out of the funds appropriated above in Strategy E.1.7, Bilingual Education Program, the Coordinating Board shall expend an amount that is not less than \$150,000 for each year of the 2018-19 biennium to develop and operate a program at the University of North Texas, University of North Texas at Dallas, Texas Woman's University, The University of Texas at Dallas, The University of Texas Arlington, Texas A&M Commerce and DFW Tech Teach - Texas Tech University, in consultation with the university, to provide financial incentives in the form of tuition assistance, to encourage students who enroll in an educator preparation program at the university to become certified to teach bilingual education, English as a Second Language, or Spanish in school districts with high critical needs.

The program shall make awards to qualified students admitted to the Teacher Education Program in Bilingual Education. Qualified students must: 1) have demonstrated financial need, as determined by the completion of a Free Application for Federal Student Aid form and the Office of Financial Aid and Scholarships; 2) Successfully pass the State Board of Educator Certification Bilingual Target Language Proficiency Test; and 3) Maintain a minimum cumulative 3.0 GPA. The program shall submit a report not later than January 1, 2019 to the Texas Higher Education Coordinating Board detailing annual information on the following performance measures:

- a. Student graduation rates from the program;
 - b. Passage rates for the Texas Examination of Education Standards Bilingual Education Supplemental exam and/or the English as a Second Language Supplemental exam; and Graduate employment data at Texas public school districts.
- 55. Collaborative Dual Credit Program Evaluation.¹** ~~Out of funds appropriated above in Strategy B.1.1, Central Administration, \$72,131 in each fiscal year of the biennium in General Revenue shall be used to dedicate one Full Time Employee (FTE) to collaboratively, along with the Texas Education Agency:~~
- ~~a. identify existing capabilities, limitations, and costs to comprehensively evaluate dual credit opportunities, including an assessment of the adequacy of information on dual credit costs and local funding structures and the ability to identify ineffective and inefficient dual credit programs;~~
 - ~~b. develop a plan to create a cross-agency, statewide dual credit student outcome reporting and evaluation tool to measure acceleration, tuition saved, and efficient and effective practices~~

HIGHER EDUCATION COORDINATING BOARD
(Continued)

- ~~for offering dual credit. The agencies shall consider the role both Preschool to Grade 16 (P-16) Councils and Education Research Centers could have in this evaluation strategy;~~
- ~~e. report their joint findings regarding the comprehensive evaluation of dual credit to the Governor, Legislative Budget Board, and Legislative committees responsible for oversight of public and higher education no later than August 31, 2018; and~~
- ~~d. issue guidance, using existing data on all dual credit programs, regarding the best and most effective practices for school districts and dual credit partners to continue or initiate dual credit offerings.~~
- 56. Fields of Study.** Any unexpended balances for Strategy A.1.8, Fields of Study, at the end of fiscal year 2018 are hereby appropriated for the same purpose for fiscal year 2019.
- 57. Northeast Texas Initiative and TC3.** Out of funds appropriated above in Strategy E.1.6, Northeast Texas Initiative and TC3, \$1,250,000 in General Revenue for each fiscal year shall be used to contract with The University of Texas Health Science Center at Tyler to be used for the Northeast Texas Initiative and \$1,250,000 in General Revenue for each fiscal year shall be used to contract with Texarkana College to be used for the Texas Community College Consortium (TC3).
- 58. Contingency for SB 810 or HB 2994.²**
- a. Contingent on the enactment of Senate Bill 810, House Bill 2994 or similar legislation by the 85th Legislature relating to open educational resources, in addition to amounts appropriated above, the Higher Education Coordinating Board is appropriated \$100,000 in General Revenue in fiscal year 2018 and \$100,000 in General Revenue in fiscal year 2019. Any unexpended balances at the end of fiscal year 2018 are appropriated for the same purpose for fiscal year 2019. In addition, the "Number of Full-Time Equivalents (FTEs)" in the agency's bill pattern is increased by 1.0 FTEs in fiscal year 2018 and 1.0 FTEs in fiscal year 2019 to implement provisions of the bill.
- b. Contingent on the passage of Senate Bill 810, House Bill 2994 or similar legislation by the 85th Legislature relating to a study to determine the feasibility of creating a state repository of open education resources, in addition to amounts appropriated above, the Higher Education Coordinating Board is appropriated \$100,000 in General Revenue in fiscal year 2018.

¹ Appropriations referenced in Rider 55, Collaborative Dual Credit Program Evaluation, were vetoed, resulting in a decrease of \$72,131 in FY 2018 and \$72,131 in FY 2019 out of General Revenue Funds in Strategy B.1.1, Central Administration. See the Governor's Veto Proclamation.

² Incorporates Article IX, §18.22, of this Act, due to enactment of SB 810, 85th Legislature, Regular Session, relating to open educational resources, resulting in increase of \$200,000 in FY 2018 and \$100,000 in FY 2019 out of General Revenue Funds and increases of 1.0 FTEs in FY 2018 and 1.0 FTEs in FY 2019.

HIGHER EDUCATION FUND

	For the Years Ending	
	August 31, 2018	August 31, 2019
Method of Financing:		
General Revenue Fund	\$ 393,750,000	\$ 393,750,000
Total, Method of Financing	<u>\$ 393,750,000</u>	<u>\$ 393,750,000</u>
This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		

MISCELLANEOUS PROVISIONS
(Continued)

Not later than October 1 of each fiscal year , the agencies shall provide to the Legislative Budget Board, detailed monitoring, tracking, utilization, outcome, and effectiveness information on all juvenile delinquency prevention and dropout prevention and intervention services for the preceding five fiscal year period. The reports shall include information on the impact of all juvenile delinquency and dropout prevention and intervention initiatives and programs delivered or monitored by the agencies.

Sec. 17.06. Additional Payroll Contribution for Retirement Contribution.

- (a) Notwithstanding any other provision of this Act, out of appropriations made elsewhere in this Act to state agencies for the state fiscal biennium beginning September 1, 2017, each agency shall contribute, in an amount equal to 0.5 percent of the total base wages and salaries for each eligible employee of a state agency during the state fiscal biennium beginning September 1, 2017 to the Employees Retirement System's Retirement Program.
- (b) State agencies shall contribute pursuant to this section to the Employees Retirement System to increase the state contribution for retirement by the value of the 0.5 percent contribution, estimated to be \$66,707,581 for state agencies for the 2018-19 biennium.
- (c) The calculation of base salary for purposes of the reductions made under this section excludes longevity pay, hazardous duty pay, benefit replacement pay, overtime pay, and other payments that are not part of the base salary of the employee.
- (d) Transfers made under this section shall be consistent with provisions requiring salaries and benefits to be proportional to the source of funds.
- (e) The Comptroller of Public Accounts shall promulgate rules and regulations as necessary to administer this section.

Sec. 17.07 Border Security - Informational Listing. Included elsewhere in this Act is \$800.0 million in border security funding for the 2018-19 biennium. The following is an informational list of the amounts appropriated elsewhere in this Act for border security to the Department of Public Safety, Trusteed Programs Within the Office of the Governor, the Parks and Wildlife Department, the Alcoholic Beverage Commission, the Department of Criminal Justice, the Commission on Law Enforcement, the Office of the Attorney General, the Soil and Water Conservation Board, and the Department of Motor Vehicles.

Agency / Item	2018-19 Biennial Total (in millions)
Department of Public Safety	
Baseline Border Security	\$428.4
50 hour work week for all DPS law enforcement officers statewide	\$145.6
Additional 250 Troopers and Support Staff	\$ 97.1
Extraordinary Operations (Surge Funding)	\$ 8.8
Equipment (Primarily for Operation Drawbridge)	\$ 7.0
Border Auto Theft Information Center	\$ 1.3
Penitas - Law Enforcement Center	\$ 3.2
University of North Texas Missing Persons Database Transfer	\$ 2.2
National Incident Base Reporting System (NIBRS) Training	\$ 0.7
Trusteed Programs within in the Office of the Governor	
Prosecution Resources	\$ 12.0
National Incident Base Reporting System (NIBRS) Technology	\$ 11.3
Border Security Enforcement Activities	\$ 10.2
Anti-gang Activities	\$ 10.2
Sustain Year-round Flight Capacity for Helicopters	\$ 6.0
Installation and Maintenance of Border Cameras	\$ 3.0
Texas Parks and Wildlife Department	
Baseline Expenditures in Border	\$ 11.4
Game Warden Activity on the Border	\$ 10.6
Extraordinary Operations (Surge Funding)	\$ 7.0
65-foot Vessel	\$ 4.0

MISCELLANEOUS PROVISIONS
(Continued)

Texas Alcoholic Beverage Commission	
Baseline Expenditures in Border	\$ 5.7
Special Investigation Agents	\$ 1.2
Texas Department of Criminal Justice	
Anti-Gang Intelligence	\$ 1.6
Texas Commission on Law Enforcement	
Border Investigators	\$ 0.3
Office of the Attorney General	
Border Prosecutions	\$ 2.6
Texas Soil and Water Conservation Board	
Carrizo Cane removal	\$ 3.0
Department of Motor Vehicles	
Automobile Burglary and Theft Prevention Authority Grants	\$ 5.6
GRAND TOTAL, ALL AGENCIES	\$ 800.0

Sec. 17.08. Use of the Sporting Goods Sales Tax Transfer to the General Revenue-Dedicated State Parks Account No. 64.

- (a) Appropriations made elsewhere in this Act to the Texas Public Finance Authority (TPFA) for General Obligation (GO) Bond Debt Service include \$11,106,803 in fiscal year 2018 and \$11,364,211 in fiscal year 2019 from General Revenue, for debt service payments on GO bonds issued and authorized but unissued for statewide park repairs. Contingent upon review described below, General Revenue shall be reduced and an equal amount of the Sporting Goods Sales Tax transfer to General Revenue-Dedicated State Parks Account No. 64 is appropriated to TPFA for debt service expenditures on GO bonds issued and authorized for statewide park repairs. Additionally, amounts appropriated above to the Texas Parks and Wildlife Department (TPWD) in Strategy D.1.4, Debt Service, include \$1,955,350 in fiscal year 2018 and \$1,336,717 in fiscal year 2019 from General Revenue for debt service payments on Revenue Bonds issued for statewide park repairs.
 - (1) Within 30 days following August 31 of each fiscal year, TPWD in cooperation with TPFA shall use expenditure schedules and any other necessary documentation to determine the actual amount of debt service expended from both sources on statewide park repairs, and submit the findings of this review to the Comptroller of Public Accounts and the Legislative Budget Board.
 - (2) Within 60 days following August 31 of each fiscal year, the Comptroller shall authorize the necessary expenditure transfers needed to credit General Revenue from an additional Sporting Goods Sales Tax (SGST) Transfer to the General Revenue-Dedicated State Parks Account No. 64 for the actual costs of debt service.
- (b) In the event that actual costs of debt service for statewide park repairs exceed the available remaining balance of the maximum statutory allocation of the SGST transfer to the State Parks Account, the Comptroller shall adjust debt service payments to be made from other revenues deposited to the credit of the General Revenue Fund accordingly.

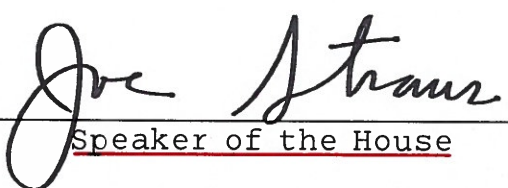
Sec. 17.09. Reporting Requirement for Funds Held Outside the Treasury.

- (a) The Comptroller of Public Accounts and the Legislative Budget Board shall jointly prepare a report on funds held outside the Treasury on a biennial basis. The report should contain the following information for operating funds and any other funds held outside the Treasury selected by the Comptroller of Public Accounts and the Legislative Budget Board:
 - (1) the legal/statutory basis for the fund or revenue held outside the treasury;
 - (2) the allowable uses of the fund or revenue held outside the treasury;

S.B. No. 1

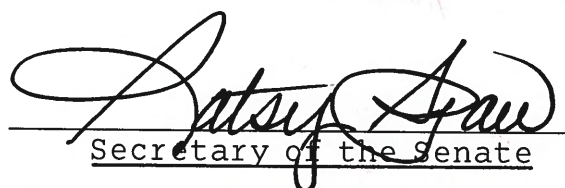


President of the Senate




Speaker of the House

I hereby certify that S.B. No. 1 passed the Senate on March 28, 2017, by the following vote: Yeas 31, Nays 0; April 18, 2017, Senate refused to concur in House amendments and requested appointment of Conference Committee; April 20, 2017, House granted request of the Senate; May 27, 2017, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 1; passed subject to the provisions of Article III, Section 49a, of the Constitution of Texas.



Secretary of the Senate

I hereby certify that S.B. No. 1 passed the House, with amendments, on April 6, 2017, by the following vote: Yeas 131, Nays 16, zero present not voting; April 20, 2017, House granted request of the Senate for appointment of Conference Committee; May 27, 2017, House adopted Conference Committee Report by the following vote: Yeas 135, Nays 14, zero present not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of Texas.




Chief Clerk of the House

Approved:

6-12-2017

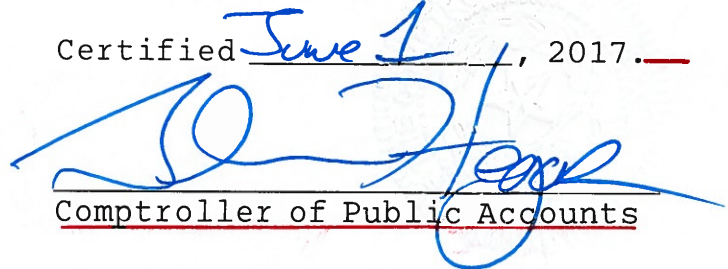
Date



Governor

I, Glenn Hegar, Comptroller of Public Accounts, do hereby certify that the amounts appropriated in the herein S.B. No. 1, Regular Session, 85th Legislature, are within the amount estimated to be available in the affected fund.


Certified June 1, 2017.



Comptroller of Public Accounts

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:15 PM O'CLOCK

JUN 12 2017



Secretary of State